



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
US ARMY CONTRACTING AGENCY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

DEC 06 2006

SFCA

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Fiscal Year 2007 (FY07) U.S. Army Contracting Agency (ACA)
Procurement and Contract Management Review (P/CMR) Program
Guidance – Army Federal Acquisition Regulation Supplement (AFARS)
Appendix CC

AUTHORITY

Under General Order #6 of August 22, 2002, the Army Contracting Agency (ACA) was designated as the functional proponent for the Department of the Army's Procurement Management Assistance Program (DA PMAP). From FY03 – 06 the Director, ACA, provided direct oversight of the DA PMAP through the Director, Review and Outreach Directorate, HQ ACA. In October 2006, functional responsibility for the DA Contracting Operations Review (COR) (formally known as PMAP) was transferred to the Deputy Assistant Secretary of the Army (Policy and Procurement) (DASA(P&P)).

Effective October 1, 2006, ACA began implementing its own Procurement and Contract Management Review (P/CMR) program separate from, but complementary to the DASA (P&P) COR program. ACA's P/CMR flows from AFARS Appendix CC and will be executed through the Director, Review and Outreach Directorate, HQ ACA. The Director, ACA, plans to issue ACA's P/CMR guidance by 30 August of each year for the following fiscal year program.

P/CMR Cycle – The goal is to review each ACA contracting office every 24 months in accordance with AFARS Appendix CC-400.

SCOPE AND OBJECTIVE OF ACA PMR PROGRAM

Purpose: This guide defines the scope of ACA's P/CMR program and provides direction for FY07 and on. In a broad sense, this guide provides a consistent baseline for managing P/CMR program across the ACA.

Objective: As the Head of Contracting Activity, the Director, ACA, will execute a P/CMR program that complements the DASA(P&P)'s guidance. DASA (P&P)'s FY07

guidance, dated 24 Jul 2006, is provided at Enclosure 4. Primary objectives of ACA's FY07 P/CMR program are:

- a. Extend efforts to standardize the P/CMR program ACA-wide.
- b. Collect and/or receive feedback on the effectiveness and efficiency of current contracting policy and other initiatives. The Review and Outreach Directorate, HQ ACA will solicit comments and recommendations from PARC staffs for improvements to ACA's operations.
- c. Collect and share best practices and other innovations within ACA.
- d. Strategically manage the program

Types of Assessment

a. Procurement Management Review (PMR): This is a review of Offices of Principal Assistant Responsible for Contracting (OPARC) functions conducted by the HQ ACA. The focus is on overall assessment of key procurement process management at the OPARC. The results will help us establish a baseline for how we are doing as a whole and use it to improve ACA's operations over time. The FY07 PMR areas of interest are provided at Enclosure 1. Questions in this toolkit are directly tied in with the ACA Strategic Plan Balanced Scorecard.

b. Contract Management Review (CMR): This is a Directorate of Contracting/Contracting Center (DOC/CC) level review conducted by PARC staffs. During the PMR visit, HQ ACA PMR Team will also conduct a CMR at the DOC/CC co-located with the OPARC. The focus of CMR is on compliance with FAR, DFARS, AFARS, DA and ACA policies through review of documents, mostly contract files, management records, databases, and other documents as appropriate. The CMR principal areas of interest are provided at Enclosure 2. The Principal Assistant Responsible for Contracting (PARC) may supplement this toolkit; however, PARCs are requested to assess all principal areas of interest and document the results in the standard format provided in the Appendix A of the CMR toolkit.

c. Assistance Visit: HQ ACA staff participates in one of each CONUS PARC's CMR as a team member. This will provide HQ ACA staff with an opportunity to observe the PARC's CMR process and to help collect best practices at the operational contracting level.

d. Directed Review: The Director, ACA may direct special assistance visits to specific sites in response to a particular inquiry or directive.

Functional Responsibilities

a. Director, ACA: The Director, ACA, approves the general scope of ACA PMR program and schedule each fiscal year and may change and/or provide additional guidance and areas of interest. The Director, ACA, approves the PARC's Corrective Action Plan (CAP), prepared in response to the PMR.

b. Review and Outreach Directorate (SFCA-RA): SFCA-RA is responsible for the overall management of ACA's PMR program. Responsibilities include establishing the PMR schedule, monitoring, collecting and analyzing OPARC's CAPs and CMR reports, serving as the focal point for identifying/gathering issues arising from PMR activities, providing assistance to PARC staffs in resolving contracting process issues, keeping the Director, ACA informed on all ACA PMR activities/updates, preparing and publishing an annual ACA PMR compendium from PMR and CMR reports, developing and coordinating action plans for the next fiscal year and ensuring that PMR results are considered in developing ACA's Strategic Plan.

c. PMR Team Leader: The team leader is responsible for overall PMR pre-coordination efforts including dissemination of read-ahead materials (i.e. self-assessment toolkits/reports), selecting and making travel arrangement for team members, providing the entrance and exit briefings and coordinating the PARC's proposed CAP with the Director, ACA for approval.

d. Team Members: Team members for an ACA PMR will be drawn from across ACA. Each team member is responsible for completing their assigned portion of the PMR, including providing support to the team leader during the exit briefing, if necessary. Upon conclusion of the review, members are responsible for providing a written report of their observations, findings and recommendations to the team leader for the final report.

e. ACA PARCs: The PARC approves his/her CMR schedule each fiscal year and provides additional guidance that is unique to the region/command. The PARC approves CMR reports and DOC/CC CAPs submitted in response to the CMR.

f. PARC Staffs: The designated PARC staff is responsible for the management of the PARC's CMR program and interface with the HQ ACA PMR program action officer. This includes, but is not limited to conducting CMRs, documenting review results in the standard format, and providing CMR reports and schedule (including changes, if applicable) to HQ ACA SFCA-RA. New fiscal year's CMR schedule and all final CMR reports must be forwarded to HQ ACA, SFCA-RA (kyoung.lee@hqda.army.mil) by 30 July of each fiscal year. PARC staffs are also requested to forward any issues and/or suggestions for improvement of ACA review processes to SFCA-RA.

PMR PROCESS

Sixty days prior to the scheduled PMR (see Enclosure 3, five-year plan), SFCA-RA will issue the PARC a notification of the upcoming PMR. This notification will state the requirement of the PMR team, data required in advance to include self-assessment reports, logistical requirements, etc.

The team leader will obtain the requested information, including self-assessment reports, from the OPARC not later than three weeks prior to arrival at the PMR site. The team leader will review and analyze the PARC's self-assessment reports (OPARC functions and CMR for CC/DOC operations) and develop a plan, if applicable, to provide assistance to the PARC. All team members will review all necessary materials prior to the PMR and be ready to participate in discussion, if necessary.

Generally, the team will conduct the PMR in a one week period. The first action of the onsite review is an entrance briefing with key members of the PARC staffs and the DOC/CC if necessary. At the entrance briefing, the PMR team leader will introduce the members of the team, identify their specific areas of review, and state the overall objectives of the PMR. Then the PMR team will receive an overall briefing of the PARC's mission, what you do, who you support, and any other unique contracting operational environments.

The team leader will be responsible for reviewing PARC functions (Enclosure 1) primarily validating the PARC's self-assessment report provided to the team leader. The co-leader will lead review of DOC/CC functions, validating the CMR report provided to the team leader. This will consist of reviewing a small sample of contract files, management records, and other documents as appropriate at the DOC/CC co-located with the OPARC. The team leader will review the results on a daily basis with the PARC leadership. The team leader will consolidate all team members' reports into a single report. Review results on each area of interest will be documented and presented in the following format:

Level of Risk: Definitions are provided in the Toolkits.

Commendations: Specific actions or trends that provide evidence of a job well done, over and above what is directed.

Observations: Evidence of positive or negative actions or trends deserving of comment. Observations may be accompanied by actionable recommendations.

Findings: Specific actions that contradict regulatory, statutory, HQ ACA instructions/policies, or indicate a trend of actions that poses an unnecessary risk to efficient and effective operations. Each finding must be accompanied by an actionable recommendation.

Recommendations: Each recommendation requires a CAP. The PARC will be requested to provide HQ ACA SFCA-RA with an annual status of the CAP progress. See definitions of "observations" and "findings" above for the recommendation criteria.

EXIT BRIEFING

The team leader with all team members will present the P/CMR results in the standard format specified in the Appendix A of the PMR and CMR toolkits. The PARC for PMR and the head of CC/DOC for CMR will determine who will be at the briefing from his/her staff.

POST-ASSESSMENT ACTIVITIES:

The team leader will ask all team members of the P/CMR to review and provide comments on the consolidated "draft" report within five working days after completion of the review. The team leader will finalize the report and provide it to the PARC for PMR and the head of CC/DOC for CMR within two weeks after completion of the P/CMR. The PARCs/heads of CC/DOC will be requested to provide CAP within two weeks upon receipt of their final P/CMR report, if applicable. The CAP should include procedures to ensure that both the immediate problem and systemic causes are resolved. The CAP may also emphasize training and education as part of the resolution. The PARC will provide an annual status report on their progress in implementing their approved CAPs to HQ ACA SFCA-RA (Review and Outreach Directorate, HQ ACA) (kyoung.lee@hqda.army.mil).

SFCA-RA will track findings and trends to develop and improve ACA key processes consistent with ACA's Strategic Plan and Balanced Scorecard.

SUMMARY

In FY07, ACA is taking the first steps toward standardizing the P/CMR program. It is important to adopt the standard toolkits and to report and document the results in order to build useful metrics and improve ACA's key processes. We will continue to evolve and refine the process together. Our goal is to be a learning organization. PARC staffs must actively engage and communicate new ideas to the Director, Review and Outreach Directorate and his staff to achieve our desired goal.

If you have questions and/or need additional information, please contact Ms. Kyoung W. Lee, ACA Review and Outreach Directorate, commercial (703) 681-1054, DSN 761-9088, fax (703) 681-1121, or e-mail: kyoung.lee@hqda.army.mil.


Bryon J. Young
Director
Army Contracting Agency

Enclosures

DISTRIBUTION:

PRINCIPAL ASSISTANTS RESPONSIBLE FOR CONTRACTING
U.S. ARMY CONTRACTING AGENCY, SOUTHERN REGION
U.S. ARMY CONTRACTING AGENCY, NORTHERN REGION
U.S. ARMY CONTRACTING AGENCY, INFORMATION TECHNOLOGY,
E-COMMERCE AND COMMERCIAL CONTRACTING CENTER (ITEC4)
U.S. ARMY CONTRACTING AGENCY-THE AMERICAS
U.S. ARMY CONTRACTING COMMAND, EUROPE
U.S. ARMY CONTRACTING COMMAND, KOREA
U.S. ARMY CONTRACTING COMMAND, PACIFIC
U.S. ARMY CONTRACTING COMMAND, SOUTHWEST ASIA

KE6-1381